



(Billing Code 7510-13)

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 1816, 1832 and 1852

RIN 2700-AE39

NASA Federal Acquisition Regulation Supplement: Revised Voucher and Invoice Submission & Payment Process (NFS Case 2017-N014)

AGENCY: National Aeronautics and Space Administration.

ACTION: Final rule.

SUMMARY: NASA is issuing a final rule amending the NASA Federal Acquisition Regulation Supplement (NFS) to implement revisions to the voucher and invoice submittal and payment process.

DATES: Effective: [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER.]

FOR FURTHER INFORMATION CONTACT: Mr. Geoffrey Sage, NASA HQ, Office of Procurement, Contract and Grant Policy Division, LP-011, 300 E. Street SW, Washington, DC 20456-0001. Telephone 202-358-2420; facsimile 202-358-3082.

SUPPLEMENTARY INFORMATION:

I. Background: NASA published a proposed rule in the Federal Register at 82 FR 43511 on September 18, 2017, to revise the NFS to implement revisions to the voucher submittal and payment process. These revisions are necessary in order for NASA to comply with the Office of Management and Budget (OMB) issued Memorandum M-15-19, which directed federal agencies to

transition to electronic invoicing for appropriate federal procurements by the end of fiscal year 2018. In Fiscal Year 2016, NASA revised their voucher submission and payment process to electronically process cost type vouchers under cost-reimbursement type contracts. As part of NASA's goal to have all contract payments processed electronically by the end of fiscal year 2018, this rule revises NASA's submission and payment process to have invoices for fixed price contracts and fee vouchers for cost-type contracts submitted electronically.

II. Discussion

There were no public comments submitted in response to the proposed rule. The proposed rule has been converted to a final rule, without change.

III. Expected Cost Savings Based on Implementation of this Rule

NASA processes approximately 55,000 invoices and vouchers per year. Of this total population, per FPDS data compiled between FY2014 through FY2016, approximately 59% were submitted by large business and 41% were submitted by small businesses. Roughly 13% of the total 55,000 invoices and vouchers submitted were processed electronically through an electronic eInvoicing Secure File Transfer (SFT) and the remaining 87% were processed manually by the NASA Shared Services Center. With the publication of this rule, NASA will be processing the payment of

all invoices and vouchers electronically through an electronic eInvoicing SFT.

Currently, when a payment is not processed through an electronic eInvoicing SFT, vendors must submit invoices and vouchers via hardcopy, email, or fax. The NASA Shared Service Center transaction cost for manually processing each invoice or voucher not submitted electronically through an electronic eInvoicing SFT is \$2.11 per submission. By adopting a 100% electronic eInvoicing SFT process, NASA can eliminate the manual processing charge of approximately \$100,964 per year. In addition, NASA anticipates that the transition to a 100% electronic eInvoicing SFT process will result in the reduction of late payment interest charges. In FY2016, NASA paid approximately \$78,000 in late payment interest charges. NASA estimates that it will reduce the amount of late payment interest charges by 50% upon the elimination of the manual processing of submitted invoices and vouchers due to the efficiencies gained by utilizing the electronic eInvoicing SFT process. By combining the savings achieved from moving to a 100% electronic eInvoicing SFT processing of invoices and vouchers and the reduction in the amount of late payment charges the estimated annualized cost savings for the Government is \$139,964.

The transition to a 100% electronic eInvoicing SFT method of processing invoices and vouchers will result in contract administration savings for both small and large businesses. It is estimated that .05 less hours will be required to prepare and submit an invoice or voucher electronically as opposed to processing through a non-eInvoicing method. Burdened labor rate equivalent to the journeyman level was used to estimate cost savings. Therefore, NASA estimates that the submission of invoices and vouchers through the electronic eInvoicing SFT will result in an estimated annualized cost savings for the public of approximately \$144,485.

The total annualized cost savings is estimated at \$284,449.

IV. Executive Order 13771

This final rule is considered an EO 13771 deregulatory action. Details can be found in the "Expected Cost Savings Based on Implementation of this Rule" section of the rule.

V. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563

emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

VI. Regulatory Flexibility Act

NASA does not expect this rule to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because the guidance will not create additional burden to the contractor but rather the rule is intended to update the current voucher and invoice submission process at NASA resulting in fewer voucher/invoice rejections, rework, and payment delays. A final regulatory flexibility analysis has been prepared consistent with the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., and is summarized as follows:

The purpose of this rule is to implement revisions to the voucher and invoice submittal and payment process. These revisions are necessary in order for NASA to comply with the Office of Management and Budget (OMB) issued Memorandum M-15-19, which directed federal agencies to transition to electronic

invoicing for appropriate federal procurements by the end of fiscal year 2018.

No comments were received in response to the initial regulatory flexibility analysis.

This rule would apply to contractor requests for payment under all contract types. An analysis of data in the Federal Procurement Data System (FPDS) revealed that cost reimbursement and fixed priced contracts are primarily awarded to small businesses. FPDS data compiled over the past three fiscal years (FY2014 through FY2016) showed an average of 76,675 NASA contract actions, of which 45,011 (approximately 59%) were awarded to small businesses. However, there is no significant economic or administrative cost impact to small or large businesses because the rule will have a positive benefit in the way of fewer voucher rejections, rework, and payment delays since all of the fee vouchers and invoices that were previously processed manually will be processed electronically.

In FY16, NASA processed approximately 55,000 vendor payment requests (invoice/voucher), which are currently received by various means (70% by email, 15% by mail, 2% by fax, 13% by an electronic eInvoicing SFT). NASA's current payment request process for fee vouchers and invoices requires manual intervention at almost every step in the process. Manual intervention decreases speed and accuracy and adds to the cost

per invoice/voucher. This rule will further automate the processing of contract payments thus reducing processing delays, input errors, rework, interest penalties, which all add to the cost to process each invoice and voucher.

There are no new reporting requirements, recordkeeping, or other compliance requirements.

There are no significant alternatives that could further minimize the already minimal impact on businesses, small or large.

VII. Paperwork Reduction Act

The rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

List of Subjects in 48 CFR Parts 1816, 1832, and 1852

Government procurement.

Geoffrey S. Sage,

NASA FAR Supplement Manager.

Accordingly, 48 CFR parts 1816, 1832, and 1852 are amended as follows:

1. The authority citation for parts 1816, 1832 and 1852 continues to read as follows:

Authority: 51 U.S.C. sec. 20113(a) and 48 CFR chapter 1.

PART 1816—TYPES OF CONTRACTS

2. Revise 1816.506-70 to read as follows:

1816.506-70 NASA contract clause.

Insert the clause at 1852.216-80, Task Ordering Procedure, in solicitations and contracts when an indefinite-delivery, task order contract is contemplated. The clause is applicable to both fixed-price and cost-reimbursement type contracts. The contracting officer shall use the clause with its—

(a) Alternate I, if the cost type, fixed price with prospective price redetermination, or fixed-price incentive contract does not include a NASA Form 533M reporting requirements; or

(b) Alternate II, if a fixed price contract is contemplated.

PART 1832—CONTRACT FINANCING

3. Revise 1832.908-70 to read as follows:

1832.908-70 Submission of vouchers/invoices.

Insert clause 1852.232-80, Submission of Vouchers/Invoices for Payment, in all solicitations and contracts.

PART 1852—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

1852.216-80 [Amended]

4. Amend 1852.216-80 by revising ALTERNATE I and adding ALTERNATE II to read as follows:

1852.216-80 Task ordering procedure.

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Alternate I (APR 2018)

As prescribed in 1816.506-70(a), insert the following paragraph (i):

(i) Contractor shall submit progress reports, as required.

When required, the reports shall contain, at a minimum, the following information:

(1) Contract number, task order number, and date of the order.

(2) Total estimated dollar amount of task order(s).

(3) Cost and hours incurred to date for each issued task order.

(4) Costs and hours estimated to complete each issued task order.

(5) Significant issues/problems associated with a task order.

(6) Cost summary of the status of all task orders issued under the contract.

(7) Invoice number.

Alternate II (APR 2018)

As prescribed in 1816.506-70(b), insert the following paragraph
(i):

(i) Contractor shall submit progress reports, as required. When required, the reports shall contain, at a minimum, the following information:

- (1) Contract number, task order number, and date of the order.
- (2) Price and billed amounts to date for each task order.
- (3) Significant issues/problems associated with the task order.
- (4) Status of all task orders issued under the contract.
- (5) Invoice number.

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5. Amend section 1852.232-80 by-

- a. Revising clause title and date;
- b. In paragraph (b), removing the words ``submit all vouchers electronically using'' and adding the words ``submit all vouchers and invoices using'' in its place;
- c. Revising paragraphs (c), (d), and (e).

The revisions read as follows:

1852.232-80 Submission of vouchers/invoices for payment.

As prescribed in 1832.908-70, insert the following clause:

Submission of Vouchers/Invoices for Payment

(APR 2018)

* * * * *

(c) *Payment requests.*

(1) The payment periods are stipulated in the payment clause(s) contained in this contract.

(2) Vouchers submitted under cost type contracts and invoices submitted under fixed-price contracts shall include the items delineated in FAR 32.905(b) supported by relevant back-up documentation. Back-up documentation shall include at a minimum, the following information:

(i) *Vouchers.*

(A) Breakdown of billed labor costs and associated contractor generated supporting documentation for billed direct labor costs to include rates used and number of hours incurred.

(B) Breakdown of billed other direct costs (ODCs) and associated contractor generated supporting documentation for billed ODCs.

(C) Indirect rate(s) used to calculate the amount of billed indirect expenses.

(D) Progress reports, as required.

(ii) *Invoices.*

(A) Description of goods and services delivered as part of the contract's terms and conditions, including the dates of delivery/performance.

(B) Progress reports, as required.

(C) Date goods and services were performed.

(iii) *Fee vouchers.*

(A) Listing of all provisionally-billed fee by period or date earned since contract award.

(B) A reconciliation of all billed and earned fee.

(C) A clear explanation of the fee calculations.

(d) *Non-electronic payment requests.* The Contractor may submit a non-electronic voucher/invoice using the steps for non-electronic payment requests described at <https://www.nssc.nasa.gov/vendorpayment>, when any of the following conditions are met:

(1) The Contracting Officer administering the contract for payment has determined, in writing, that electronic submission would be unduly burdensome to the Contractor.

(2) The contract includes provisions allowing the contractor to submit vouchers or invoices using the steps for non-electronic payment. In such instances the Contractor agrees to submit non-electronic payment requests using the method or methods specified in Section G of the contract.

(e) *Improper vouchers/invoices.* The NSSC Payment Office will notify the contractor of any apparent error, defect, or impropriety in a voucher/invoice within seven calendar days of receipt by the NSSC Payment Office. Inquiries regarding requests for payment should be directed to the NSSC as specified in paragraph (b) of this section.

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